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TAGS: PREL PGOV ENRG ETRD GG EUN USEU BRUSSELS
SUBJECT: GEORGIAN EXPECTATIONS FOR ITS ACTION PLAN

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Classified By: POLCOUNS LEE LITZENBERGER FOR REASONS 1.4 (B,D)

11. (C) Summary: According to Georgian Mission to the EU, Georgia wants several deliverables out of negotiations with the EU on its European Neighborhood Policy (ENP) Action Plan. First, Georgia wants its Action Plan to be a three-year document rather than a five-year document; the EU is currently advocating five-years. Second, Georgia wants the option of aligning with EU declarations, as Ukraine now does. Third, Georgia wants to have the perspective outlined for a free trade agreement (FTA) in its ENP Action Plan. Fourth, Georgia wants to negotiate a visa facilitation regime - similar to the one that Russia already has and that Ukraine and Moldova also seek. Fifth, Georgia wants to create an additional sub-committee on transport and energy but the EU is reluctant. Finally, Georgia also wants explicit reference in the Action Plan to its European aspirations. Discussing conflict resolution, the Georgian Mission said "we cannot overestimate the EU's role in South Ossetia" but that Georgia wants the EU to be even more engaged in the region. End Summary.

Status of Georgia's EU Action Plan

- 12. (C) In a meeting on March 17 with poloff, Georgian Mission to the EU Senior Counselor Vakhtang Makharoblishvili said that his government was satisfied with the recent round of negotiations on its ENP Action Plan which took place on March 8; the next round will take place in May. The Commission extended its ENP to the South Caucasus in 2004 to help bring political and economic reforms, with short and medium-term priorities, to countries within the ENP; however, Georgia has yet to formally adopt its Action Plan. Despite Georgia's desire for closer relations with the EU, Makharoblishvili said the GOG was "not under any illusions" about what it could achieve for its Action Plan and was approaching negotiations with a patient, long-term mindset.
- 13. (C) However, Makharoblishvili said a source of frustration for Georgia was the contradiction between the EU's stated declaration on South Caucasus ENP and the reality. He said that the Commission declares that each Action Plan would have a tailored, country-specific approach; the Commission is negotiating generalized Action Plans for the South Caucasus that does not seemingly differentiate between Georgia, Armenia, and Azerbaijan this "should not be a cut-and-paste exercise" where one merely transfers the same boilerplate language to each country's Action Plan, he lamented. Georgia has different goals than Armenia and Azerbaijan and this should be reflected in the Action Plan, he said. (Comment: In a separate meeting with poloff on March 23, EU Council Russia policy advisor Carl Hallergard said that, of the three South Caucasus countries negotiating ENP Action Plans, Georgia is making the least progress and the Georgians have been "terrible" in negotiations as they "do not know what they what they want they are all over the place. The Azeris and Armenians have been much more committed." End Comment.)

Deliverables for Action Plan

14. (C) Makharoblishvili stressed that there are several specifics that the GOG would like to see included in the final draft of its Action Plan. In negotiations with Georgia, the EU has advocated that the Action Plan should be a five-year document which would be up for re-negotiation in 2011; Georgia is trying to negotiate a three-year document which could be re-negotiated in 2009. Second, Georgia wants to have the option of aligning itself with EU declarations. Third, Georgia wants to have the parameters of a FTA outlined in the document. Makharoblishvili stated that this is his foremost priority in Action Plan negotiations as Georgia wants to diversify its trading partners away from Russia. The EU counter-argument to finalizing an FTA is that the Georgian trade balance with the EU would worsen and that an FTA will have negative consequences for the Georgian economy. Conceding this point would be a short-term problem for Georgia, Makharoblishvili said GOG economists believe that a trade imbalance could be overcome in the medium and

long-terms if an FTA were negotiated. In any case, Makharoblishvili said that an FTA would be less of an economic issue and more of a political issue for Georgia.

- 15. (C) Makharoblishvili said that Georgia wants a visa facilitation regime in the Action Plan, similar to the one that Russia has with the EU. (Comment: As reported in reftels, Moldova and Ukraine also want visa facilitation regimes to be worked out with the EU. End Comment.) Makharoblishvili said that the EU is reluctant to establish visa facilitation with Georgia; when he asked EU officials why they have such a regime established with Russia and why they are reluctant to do one with Georgia, they replied: "Russia has bargaining power." Makharoblishvili stated that Georgia is interested in creating an additional sub-committee on transport and energy but EU hesitancy is precluding progress on this proposal.
- 16. (C) Makharoblishvili expressed pointed frustration at the fact that the rounds of negotiations over the ENP Action Plan with South Caucasus have been postponed several times. He said that Cyprus managed to block the second round of negotiations with Azerbaijan; Cyprus also worked to postpone the first and second rounds of negotiations on the Action Plan with Georgia. Arguing again for a differentiated approach to the South Caucasus countries, Makharoblishvili said that the EU seems to be disregarding Georgia as a "Black Sea country;" he emphasized that because Georgia is a "Black Sea country," its European aspirations should be taken more seriously. However, he said, the EU is only considering language in the Action Plan that "takes note of Georgia's European aspirations" and the GOG wants a more explicit reference in the document. The EU counter-argument is that if it is "obvious" that Georgia has this trajectory; Makharoblishvili retorted: "Well, if it is so obvious, why can't we put it in the document?"

## Conflict Resolution

- (C) In a discussion on the EU's role in South Caucasus conflict resolution, Makharoblishvili said that the GOG wants the EU to increase its role in the region but said that " should not overestimate the role of the EU on South Ossetia resolution." He realizes that the EU is consumed with a host of other problems dealing with conflict resolution right now and that it is up to Georgia to "do the homework" to solve its problems. Despite EU claims that the mandate of new EU Special Representative (EUSR) Peter Semneby has been strengthened, Makharoblishvili said that this is not really the case; if one compares the language announcing the appointment of the first EUSR Talvitie to the language announcing this recent appointment of Semneby, nothing substantive has really changed. However, he said that the European Security and Defense Policy (ESDP) missions in South Caucasus have been a "success story." (Comment: EU Council official with responsibility for South Caucasus William Boe told poloff on March 10 that the language announcing the limited strengthened mandate of new EUSR Semneby was indeed only intended as a "political signal" -- it did not mean that the EU was going to dramatically increase its involvement or presence in the region, Boe said. End comment.)
- 18. (C) Makharoblishvili stated that the involvement of the EU in Georgia sends a political signal to Moscow that "people care about Georgia." He said that if Moscow sees that the EU is on the sidelines, then Russia will get more aggressive in the region. Russia has to see that the US and EU are working together to stay engaged in the resolution process. GRAY

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